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# A Social Protection Strategy for Togo

Regina Bendokat  
&  
Maurizia Tovo

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## Abstract

The World Bank has defined social protection in terms of 'social risk management'. In part, this approach borrows from the language of finance, applying the same principles of diversification to the poor and the risks they face. Regional strategy papers are being drafted to map out the implications, as well as the limitations, of applying this concept to different socio-cultural contexts. Within the Africa Region, Togo was selected as a pilot country to test this approach, and represents the first effort of the Bank to develop a comprehensive social protection strategy.

The *Social Protection Strategy for Togo* is the result of in-country discussions carried out by the World Bank in association with a Social Protection Team composed of government and civil society representatives involved in the execution of initiatives related to social protection. The document proposes: (a) a definition of social protection meaningful to the Togolese, to be adopted by the World Bank in its work in Togo; (b) criteria to analyze and classify social protection mechanisms and a description of such mechanisms; (c) an assessment of the effectiveness of different social protection mechanisms, and a discussion of the relationship of social capital and gender; (d) suggestions for a comprehensive SP strategy to be considered by the Togolese government as well as for WB contribution.





## Executive Summary

Social protection can be defined as interventions intended to assist individuals, households and communities in managing risk in order to reduce vulnerability, smooth consumption and improve equity. Risk management is a function of assets. The more assets a person (or a household, or a community) has, the less exposed to risk. Exposure to risk could be independent of assets, but capability to manage risk increases with the amount of assets. The risks most feared in Togo entail loss of productivity, real assets and dignity. They are: the death of a family member (mostly because of funeral costs), failed crops and unemployment, and disease. Risk factors that receive little attention but are considerable include: environmental degradation, high fertility rates and dependency ratios, gender discrimination, and HIV/AIDS. Among those identified as particularly vulnerable, a group that appears to be growing and deserves special attention are children living away from their family (domestic servants, street children, child laborers, etc.).

Social protection in Togo has been put to test by the political and economic developments of the last decade, which have seen living conditions decline sharply as a result of a deteriorating economy (real GDP per capita is 25% below its 1980 level), government inability to provide basic social services and repeated political crises. Social capital has played a crucial role in making social protection widely available to the population, especially for the poor. While horizontal networks such as socio-professional associations spread with a modernizing society, the current crisis has meant a retreat into kinship-based networks and patron-client networks. Exclusion from networks is a sign of utter destitution and leads to social exclusion.

Social protection takes three forms: risk prevention, risk mitigation and risk coping. The social protection system provided by the government is insufficient and inefficient, resulting in widespread discontent and a considerable waste of resources. Hence, 95% of the Togolese rely on informal arrangements for risk management, mostly in the form of informal insurance and portfolio management (i.e., risk mitigation). As communities try to fill the gap left by deteriorating government services, new instruments of risk prevention are appearing, especially of an informal type (e.g., community-financed schools). However, the traditional social protection system has come under strain as indicated by the growing problems of child trafficking and abandoned old people (i.e., risk coping).

The government needs to rethink its approach to social protection to include more stakeholders (several ministries, civil society, NGOs), a wider range of interventions (i.e.,

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Social capital can be defined as the quantity and quality of social resources (networks, membership in groups, social relationships, access to wider institutions in society) upon which people draw in pursuit of their livelihoods.

covering risk prevention and mitigation in addition to the traditional approach of coping) and a different way to operate (participation, partnerships, formal/informal links). Preconditions for and key elements of successful risk management are a sound macro-economic framework and improved social services. Among the priority actions proposed for a more comprehensive risk management strategy are: building on community efforts to provide primary education, supporting risk pooling for the informal sector, ensuring the viability of formal pension schemes, forging new public/private sector partnership for “traditional” social assistance, and developing a comprehensive approach for child protection.

The World Bank could support several elements that would aim at developing such a social protection strategy for Togo. In particular, it could: (a) assist the government in “rebasin” its social protection strategy, continuing the process already started; (b) through projects, provide financial and technical support to community-based provision of social services; (c) help develop a comprehensive program to address child labor issues through an IDF or LIL; (d) provide technical assistance for the reform of the pension system; (e) help pilot a formal/informal sector collaboration for old-age pension; (f) use the regional social funds which are being set up to test new ways of providing social protection.

# A SOCIAL PROTECTION STRATEGY FOR TOGO

## I. INTRODUCTION

### *Why Togo?*

Togo is exemplary of the situation of many low income countries in several respects:

- the social protection system provided by the government is insufficient in its coverage and inefficient, resulting in widespread discontent and a considerable waste of resources  $\Rightarrow$  a reform of the government system is needed;
- the traditional social protection system has come under strain due to a number of phenomena linked to modernization (e.g., urbanization, geographic mobility, monetarization, raising individualism) and to the persistent economic and political crisis (e.g., decreased standard of living, increased insecurity  $\Rightarrow$  solutions/alternatives must be found for arrangements that are indicative of strain, such as child labor;
- new answers to risk management are appearing, especially of an informal type, as people try to fill the gap left by government services  $\Rightarrow$  grassroots initiatives should be supported by the government and donors;
- regardless of resourcefulness of the Togolese people and of the efforts of government, unsatisfied needs for social protection remain enormous  $\Rightarrow$  a new approach to social protection is needed, involving a wider range of stakeholders (several ministries, NGOs) and actions;
- part of the answer lies in the ability to link formal and informal mechanisms for social protection in a synergistic manner to broaden coverage  $\Rightarrow$  public/private partnerships should be pursued, and the government should promote greater coordination and collaboration among different actors at different levels.

### *Purpose*

In many ways, social protection is a new field. What is new is not the social protection activities themselves, but the way we think about them. Since independence, the Togolese

government has offered some form of social security, to a privileged minority working in the formal sector, and social assistance to a few people or groups conventionally identified as vulnerable (widows, orphans, handicapped). Social protection includes social security and social assistance, but goes beyond it. The objectives of this paper are:

- to use the conceptual framework of the social protection strategy to help broaden thinking on social protection in Togo;
- to test a participatory approach to strategy formulation that includes inputs from a wide range of stakeholders;
- to contribute to the development of a social protection strategy for Togo that balances the need for additional information with the urgency for concrete actions;
- to identify ways in which the World Bank can support social protection in Togo in a manner consistent with the Country Assistance Strategy, keeping in mind that social protection involves interventions in several sectors.

Because Togo is the first country in Africa with which the World Bank develops a social protection strategy, this work will also serve as a case study for the continent both in terms of methodology and proposals for Bank support. On a broader scale, the Togo case will be a test of the conceptual framework for social protection in a low-income country and will contribute to the formulation of a Bank-wide social protection strategy.

### ***Definition***

Social protection can be defined as interventions intended to assist individuals, households and communities in managing risk in order to reduce vulnerability, smooth consumption and improve equity.<sup>1</sup> Efforts to manage risk take place first of all at the individual and household levels, and then at the community level. The role played by governments depends on the human and financial resources available to them, as well as on the political will to achieve the goals of social protection. In much of SSA, resources are minimal, and social protection, in its conventional narrow interpretation, has low priority and low government expenditure.

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<sup>1</sup> Risk can be defined as the possibility of an event having a negative impact on wellbeing. The Togolese have been emphatic in stressing the importance of overall wellbeing. Hence risk is not just conceived in economic terms as income risk, but includes, for example, risk to one's dignity.

Risk management is a function of assets. The more assets a person (or a household, or a community) has, the better equipped to manage risk. Assets should be considered in broad terms, as a wide range of tangible and intangible stores of values (savings, human capital, productive investments, collective assets, etc.) or claims to assistance from others (kinship networks, patrons, government programs, etc.) which can be mobilized to avert a crisis or to cope with it. The level of vulnerability of a person (or a household, or a community) is determined by the balance between risks and assets. All poor people are vulnerable, because they have few assets, but not all vulnerable people are poor. Vulnerability, in turn, can be measured in terms of sensitivity to shocks (the impact of a given change on a person's living conditions) and of resilience (the time it takes to overcome the negative impact of a shock).<sup>2</sup>

### ***Economic Developments***

Social protection in Togo has been shaped by the political and economic developments of the last decade. Following austerity and stagnating per-capita GDP in the 1980s, the early 1990s were a period of political turmoil and economic depression for the Togolese, with per-capita income falling by 28% from 1990 to 1993. In 1995-97, an export-led recovery increased GDP growth to an average 6.9% p.a., and inflation was reduced from 49% in 1994 to 7% in 1996-97. The liberalization of the coffee and cocoa sectors had a positive impact on producers' income, and the number of farmers growing cotton increased in response to higher producer prices. Economic performance deteriorated again in 1998, reflecting the energy crisis and renewed political tensions after the presidential elections in June; GDP is now estimated to have shrunk by 1% rather than growing the projected 5-6%.

During the early years of the crisis, Government revenues fell to an all-time low of 10% of GDP in 1993, and provision of social services deteriorated from an already low level. Fiscal performance was uneven during the recovery period, with revenues increasing to close to 15% of GDP in 1995-97 and with strict controls on the wage bill. Expenditure allocations for education and health were somewhat protected in this situation of extreme fiscal constraints

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<sup>2</sup> The relationship between vulnerability and assets has been long been recognized. See, for example: Sen, A., *Poverty and Famine: An Essay on Entitlements and Deprivation*. Oxford: Clarendon Press, 1981. Chambers, R., *Vulnerability: How the Poor Cope*, *IDS Bulletin*, 20(2), 1989. Swift, J., *Why are rural people vulnerable to famine ?*, *IDS Bulletin*, 20(2), 1989.

(education 25% and health 10% of current expenditures), but there have been large gaps between budgeted and actual expenditures. The budget situation has deteriorated sharply in 1998, to the point that teacher salaries were not paid and expenditures for non-salary items in primary education were non-existent.

Private investment has not recovered fully since the early 90s and, at 10% of GDP, remains too low to be a major force in increasing economic growth and generating employment. Unemployment, which has increased due to retrenchment in the civil service, public enterprise reform, and the general economic crisis, thus remains at a high 33%, as estimated by the Government. In sum, while detailed quantitative information is not available, indications are that poverty has increased significantly as a result of the political and economic crisis. Social protection mechanisms thus have been much tested over the last few years. Examining the ways in which they have succeeded or failed could help the country develop a more effective social protection strategy.

### *Methodology*

This paper builds on initial work on vulnerability and survival strategies carried out for the Poverty Assessment (June 96), as well as on information already available through different sources (NGO reports, project-related background work, university publications, recent economic reports, etc.). Additional data were collected specifically for this document using primarily a rapid assessment method (focus groups at the grassroots level and semi-structured interviews with key informants). Work proceeded in an iterative and participatory manner whereby concepts, assessments and ideas for action were discussed within the Bank and in Togo.

The process was launched with a workshop in Lomé for key stakeholders from the government and civil society in November 98. The purpose was to define a social protection concept meaningful in the Togolese context, take stock of what was known on the dynamics of risk and vulnerability, and assess (to the extent possible) formal and informal social protection mechanisms. A short field research phase followed to start filling the most important information gaps on (a) formal social security schemes and the emerging private

insurance sector, and (b) vulnerable groups, social capital and informal risk-management strategies. In particular, a survey of informal arrangements for risk mitigation was carried out in all five regions, while a baseline study conducted for the social fund project provided additional information on social capital in the Savanes and Maritimes regions. An initial draft of the paper was discussed with the Country Team in Washington (January 99) and then with the Togolese, first in a workshop for the key stakeholders who had participated in the first workshop, and then in a larger meeting for representatives of all sectoral ministries (February 99). Another short data gathering phase followed. At the same time, a similar process was launched to produce a social protection strategy for neighboring Benin, providing additional insights and information.

While there remain important gaps in information and much more analytical work could be done, we think we have sufficient information to formulate an initial strategy for social protection. Priority interventions can be accompanied by data gathering and analysis as the need arises.

## **II. RISKS AND VULNERABILITY**

### ***Risk Factors***

As social protection aims at managing risk, the first step toward a social protection strategy is identifying the risks to which the Togolese are exposed. The matrix below is an attempt at summarizing the main risk factors in Togo. They have been grouped according to their level (individual & household, community and national) and their nature (natural, social and politico-economic), but distinctions are not always clear-cut.

## Risk factors in Togo

	<b>Micro level (Individual &amp; household)</b>	<b>Meso level (Community)</b>	<b>Macro level (Nation)</b>
<b>Natural factors</b>	<ul style="list-style-type: none"> <li>• Agricultural productivity <math>\Rightarrow</math> soil erosion, low fertility</li> <li>• Health <math>\Rightarrow</math> poor sanitation, smoke exposure</li> </ul>	<ul style="list-style-type: none"> <li>• Agricultural productivity <math>\Rightarrow</math> environmental degradation, natural disasters</li> <li>• Health <math>\Rightarrow</math> unhealthy habitat, unsafe water</li> </ul>	<ul style="list-style-type: none"> <li>• Primary sector productivity <math>\Rightarrow</math> natural disasters, limited natural resources</li> <li>• Demographic pressure</li> <li>• Epidemics (AIDS)</li> </ul>
<b>Social Factors</b>	<ul style="list-style-type: none"> <li>• Health <math>\Rightarrow</math> disease, old age, handicap</li> <li>• Education/information <math>\Rightarrow</math> illiteracy, low education, isolation</li> <li>• Social capital/household structure <math>\Rightarrow</math> high dependency ratio, intra-household inequality, household break-up</li> </ul>	<ul style="list-style-type: none"> <li>• Human capital <math>\Rightarrow</math> limited access to social services (health, education, family planning)</li> <li>• Social capital <math>\Rightarrow</math> discrimination, harmful traditional practices</li> </ul>	<ul style="list-style-type: none"> <li>• Human capital <math>\Rightarrow</math> insufficient &amp; inefficient sectoral policies &amp; programs</li> <li>• Inequality <math>\Rightarrow</math> discriminatory laws, regulations, inequitable and inadequate budget allocation</li> </ul>
<b>Economic &amp; political factors</b>	<ul style="list-style-type: none"> <li>• Income <math>\Rightarrow</math> low returns to labor, unemployment, irregular salaries, no access to credit</li> <li>• Inter-household inequality <math>\Rightarrow</math> in access to land, rights &amp; duties related to social standing</li> <li>• Gender discrimination <math>\Rightarrow</math> unequal access to productive assets</li> </ul>	<ul style="list-style-type: none"> <li>• Income <math>\Rightarrow</math> limited access to land, economic infrastructure &amp; employment opportunities</li> <li>• Isolation, remoteness</li> <li>• Inefficient production systems</li> </ul>	<ul style="list-style-type: none"> <li>• Assets &amp; income <math>\Rightarrow</math> limited land, economic infrastructure &amp; employment opportunities</li> <li>• Structural inequalities <math>\Rightarrow</math> poorly integrated market for food products, poor rural infrastructure</li> <li>• Governance <math>\Rightarrow</math> fiscal problems, land tenure, clientelism, corruption</li> </ul>



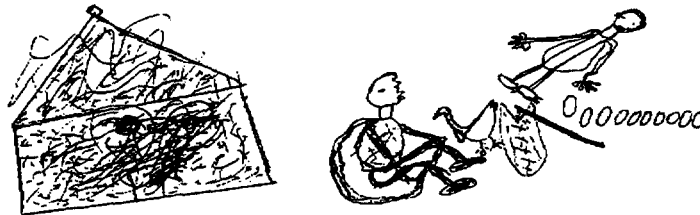
### Individual-level factors

determine the risk exposure of a person regardless of the household or community to which the person belongs, although they also have an impact on household vulnerability. Disease and old age, for example, are individual risks that can have catastrophic effects on a

person's wellbeing. Thus, it is not surprising that village children asked to draw poverty often depicted handicapped, sick or old people (see Box 1).

#### Box 1: Poverty through the Eyes of a Child

"This man [top right] has no good legs to work, so he has to look at his old father work hard and suffer. The father is tired after working hard with the *daba* [local hoe] to dig out some yams [oval shapes], so he sat down to rest and stretch. Their house is in poor shape, full of holes and cracks, but they can't repair it because one has no good legs and the other one is too old and tired."



Source: Participatory Poverty Appraisal, elementary school child in Bassar District, Kara Region, December 1994.

**Household-level risk factors** relate to household structure and composition, and to its socio-economic characteristics. High dependency ratios, low social standing, limited access to means of production and low or uncertain returns to labor are typical household risk factors. Many individual & household risk factors, however, are the result of socio-cultural norms that assign different values to ascribed (as opposed to acquired) characteristics like age, gender and ethnic group. Such differences often find expression in intra-household inequality and may be sanctioned by law. For example, Togolese women have traditionally less decisional power and less control over assets than men, and customary law tends to deny women inheritance rights and considers children as property of their father's family to be inherited along with other possessions. Economic risk factors reflect the repeated downturns of the Togolese economy as well as structural elements, such as low productivity and inequality in access to production factors. The Togolese emphasized the linkages between economic and political factors, which are reflected in unemployment (resulting from the freezing in public sector recruitment and liquidation of certain enterprises), lack of access to credit, and irregular payment of salaries in the public sector.

**Community risk factors** are primarily determined by ecological and infrastructural conditions. Massive soil degradation, especially in overpopulated areas of the Savanes, Kara and Maritime regions, is probably the greatest ecological risk, as it lowers the productivity of entire villages. Insufficient transport infrastructure results in isolation and makes economic transactions more costly. Difficult access to basic social services is also a common risk, especially in rural areas, and distance from the nearest school or health center was found to be an important aspect of the concept of poverty for the poor (see Box 2). A risk factor linked to the cultural norms of specific ethnic groups are harmful traditional practices, such as food taboos, female genital mutilation (especially with the Tchamba, Cotocoli, Yanga, Mossi and Peul groups)<sup>3</sup> and certain practices related to religious beliefs (e.g., voodoo children in the south).

**National risk factors** have to do with geographical and political conditions, as well as with laws and policies. They affect the whole population, but tend to be more burdensome on the lowest socio-economic strata. For example, with four commodities (phosphates, cocoa, coffee and cotton) accounting for half of its exports, Togo is highly vulnerable to international commodity price. A public sector dominated by political patronage increases the risk of mismanagement of public funds, and a government budget that protects military expenditures implies a trade-off with social services, posing a risk to the quality of the country's human capital.

**Box 2: No School and No Health Center**

"We are all poor here, because we have no school and no health center. If a woman has a difficult delivery, we have to put a *pagne* [traditional piece of cloth] and carry her for 7 km to the health center. You know how long it takes to walk like that? There is nobody who can help in case of emergency, that's why we say we're all poor in Kouyoria."

Source: Rapid Poverty Appraisal, farmer in a village in north-east Kara region, December 1994.

***The Most Feared Risks and the Blind Spots***

Given the multitude of risks to which individuals are exposed and the impossibility of having adequate protection for all of them, it is useful to identify those risks that should receive

<sup>3</sup> Agounke, A., M. Janssens and K. Vignikin, *Study of the Prevalence and the social and economic factors of female circumcision in Togo*, mimeograph, Unité de Recherche Démographique, Université du Bénin. Lomé, January 1997.

particular attention, either because they are the most damaging in light of their frequency or catastrophic effects, or because they are not easily recognized and therefore more likely to be ignored. While in principle it would be possible to estimate the frequency of most risks (e.g., through weather patterns, morbidity rates, dependency ratios, school enrollment, unemployment statistics, etc.), estimating their impact is more difficult. Given the data constraints in Togo, the risks discussed below were selected on the basis of what the Togolese themselves perceive as most important (i.e., the most feared). By contrast, there are some factors which objectively represent an important risk but are seldom recognized as such (i.e., the blind spots). It is not surprising that the most feared risks are at the micro level, while the blind spots are at the meso and macro level.

**The most feared risk factors** have in common the risk of losing one's assets and going into debt. Coupled to this are the risk of losing social standing (a sort of "dignity risk"), the risk of losing income, and the risk of losing productivity.

- **The death of a family member** can have dire economic consequences if the deceased was one of the main household providers. But what seems to be feared most are the costs imposed by cultural norms. Funerals are extremely important ceremonies which determine the acceptance and social standing of a family within the community and clan. In this sense, paying for a funeral is like buying insurance. But the cost of funerals has gone up faster than incomes, and families routinely go into considerable debt to have a good ceremony. To make things worse, there are the costs of rituals imposed on surviving wives. For a period of up to a year, widows' behavior becomes highly constrained, including being prevented from leaving their house and engaging in economic activities. The penalty for transgression would be ostracism, so women have little choice but to submit.
- **Failed crops and unemployment** mean loss of income, which in turn implies loss of assets, as families try to safeguard their consumption levels by drawing down their savings (including the sale of animals). In general, efforts will be made not to touch physical productive assets (e.g., no selling of land or tools), but human capital may suffer (e.g., children will be taken out of school and illnesses will go untreated). When savings are depleted, people go into debt.

- **Disease** is feared because it represents a loss of productivity and a loss of assets (to pay for treatment). High morbidity levels make it a very common risk.

**The four main blind spots** in Togo are risk factors that receive little attention because their negative consequences are not immediate, or because they seem to be “the way things are”, or because they are just not known.

- **Environmental degradation**, mostly in the form of soil erosion and fertility loss, has reached alarming proportions. Yields for staples show a downward trend (e.g., between 1973 and 1989, yields for cassava went down by 72% in the Maritime region and 54% in the Plateaux), and by the year 2000 all regions but Kara will have exceeded their rural density threshold (i.e., the maximum number of rural inhabitants that the land can support without fertility loss under current agricultural practices).
- **High fertility rates and dependency ratios** are closely related to poverty and vulnerability, both at the household and macro level.<sup>4</sup> With the population doubling every 22 years, simply maintaining the presently insufficient access to basic social services will require increases in budget allocations that are incompatible with the financial and human capital available in the foreseeable future. Yet the urgent need to manage population dynamics has yet to be recognized at the national and family level..
- **Gender discrimination** finds expression in basically all aspects of every day life : customary law tends to treat women as legal minors, the Family Code (*Code togolais des Personnes, de la Famille et des Biens*) denies women equal rights to men (e.g., Art. 109 of the Family Code allows men to oppose the exercise of a separate profession by their wives), the enrollment rate for girls in primary schools is only two thirds of that of boys, and regulations for access to social security give women fewer benefits than men. But beliefs about gender roles and rights are slow to change, and their part in increasing vulnerability of women and children is seldom recognized.

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<sup>4</sup> At the household level, large family size is often associated to poverty and vulnerability through two vicious circles. First, families want multiple births to maintain their earning capacity despite high death rates and poor work prospects; but numerous small children deplete family savings and income, impede improvements in nutrition and welfare, and thus perpetuate high death rates and family poverty. Second, poor parents have many children to improve their chances of support in old age, yet each couple's children mean more competition for jobs and land, and therefore a lower likelihood that the children will be able to support their parents.

- **HIV/AIDS** has an estimated incidence of at least 8.5 percent among the adult population (130,000 deaths since the beginning of the epidemic) and is likely to grow exponentially. Most of the Togolese, however, do not appear to realize the importance of this threat, and authorities have not yet given to HIV/AIDS the attention necessary to avert a major catastrophe.

### ***Vulnerable Groups***

All individuals are exposed to some risks (disease, old age, loss of income or assets) and therefore are vulnerable to some extent, but some appear to be more exposed to risks and/or less equipped to manage them than others, and have therefore been identified as vulnerable groups. An example of how the government has tried to identify vulnerable groups is provided by the *Togo National Report for the World Summit on Social Development* (1995) which distinguishes three marginalised groups: (a) the underprivileged (landless farmers, the handicapped and “young victims of broken families”), (b) retrenched civil servants and public enterprise employees, and (c) the vulnerable (unemployed youth, women, elderly people). During the November 98 workshop on social protection, the following typology was developed.

#### **Vulnerable groups in Togo**

<b>“Classical”</b>	<b>“Modern”</b>
<ul style="list-style-type: none"> <li>• women household heads</li> <li>• the handicapped,</li> <li>• the elderly</li> <li>• the unemployed</li> <li>• displaced people</li> </ul>	<ul style="list-style-type: none"> <li>• urban girls on their own (domestic servants, market porters, bar servants, millet ponders)</li> <li>• urban boys on their own (street children, prostitutes, drug addicts, juvenile delinquents)</li> <li>• school drop-outs</li> <li>• AIDS victims &amp; their families (especially orphans)</li> <li>• refugees</li> <li>• the mentally ill</li> </ul>

Quantifying vulnerable groups is difficult, because there are no clear measurements of the level of vulnerability and because the vulnerable are often marginalised or “invisible”, and therefore hard to count. The table below is an attempt to provide orders of magnitude for vulnerable groups and should be interpreted with extreme caution, keeping in mind that the same individual may belong to more than one group and that vulnerability inside a group is

not homogeneous (e.g., wealthy female-headed households are not particularly vulnerable). Also, many of these groups are growing in size (e.g., AIDS victims, street children) or becoming more vulnerable (the elderly, who are increasingly being abandoned by their families) because of the deteriorating economic situation.

Estimates of Vulnerable Groups (orders of magnitude)	
Members of female-headed households	1,350,000 (30% households, African standard)
Handicapped	450,000 (10% population, WHO)
Elderly	246,000 (6% population, but not all abandoned)
Unemployed	600,000 (33% of labor force)
Displaced people	101,000 (+173,000 in 92-93, most of whom went home)
Children ( <i>Children in difficult situation</i> )	150,000 (80,000 girls)
School drop-outs	309,000 (35% of enrolled primary students)
HIV/AIDS victims	170,000 (+78,000 orphans, from UNAIDS 1997)
Mentally ill	45,000 (1% population, African standard)

**Children living away from their family.** A group that deserves particular attention are children living away from their family. The majority are girls from poor rural families sent to work in urban households as domestic servants; their number is estimated to be between 20,000 and 50,000 in Lomé alone, and up to 80,000 nation-wide.<sup>5</sup> This phenomenon is quite common throughout West Africa and is certainly not new,<sup>6</sup> but the continuing economic crisis has made it more acute in Togo. While children used to be sent to live with richer relatives who could send them to school, they are now often sent to live with strangers who exploit their labor. Servant girls are employed in a variety of domestic chores, but they may also be used for lucrative activities, e.g., as street sellers, servants in *fufu*-bars and shop assistants. A survey conducted by UNICEF in 1992 found that in 95 percent of the cases, the main reason for sending girls to be servants in town was the low profitability of agricultural activities and the resulting poverty. In Lomé, the majority of the girls came from the south-east Maritime

<sup>5</sup> Estimates for Lomé are provided in the Poverty Assessment (World Bank, June 1996); national estimates are based on the contribution of the Togolese experts who were associated in drafting this document. See also WAO-Afrique (a regional NGO specializing on child labor), *Le travail des enfants au Togo*, mimeograph, November 1998).

<sup>6</sup> For example, a 1997 survey found that 10 percent of migrant girls aged less than 10 did not live with their parents. This phenomenon may help explain Lomé's negative masculinity rate, a peculiarity among African cities. See: L.N. Assogba, *Statut de la femme et migration urbaine dans le Golfe du Bénin: de la décision à l'insertion*, in *Cahiers Québécois de Démographie*, 21 (1): 121-49, 1992.

region (the district of Vo in particular), where demographic pressure is high; girls from the north are more likely to be sent abroad, to Burkina Faso, Ghana and Nigeria.

Street children are not a new phenomenon either, but their number is growing and the time they spend in the streets. A survey carried out in 1998 estimates that there are over 4,000 street children in Lomé alone, including some 1,000 girls working at the market as porters and 3,000 boys doing a variety of petty jobs; street boys have increased by over 200% in ten years.<sup>7</sup> In 1989, children arrived on the streets mostly at 15-16 years of age and stayed less than two years; now they arrive on the streets before their thirteenth birthday and remain more than two years. At the same time, organized gangs of street children have made their appearance --a sign that the problem is endemic.

A phenomenon which attracts more and more official attention is child trafficking. In its most extreme form, it consists of professional intermediaries smuggling children from Togo mainly to Gabon, Nigeria and Côte d'Ivoire, where the children are used as cheap labor, primarily as domestic servants. In most cases, the children are not paid, while the parents receive an "advance" of 10,000-20,000 CFAF (US\$20-40). No reliable estimates are available, but between January and March 1998 some 800 children were sent back at the Togo-Benin border. At the same time, the Gabon's immigration services alleged a massive arrival of immigrants at their borders, with the majority being minors of early age and especially girls.

### **III. ARRANGEMENTS FOR SOCIAL PROTECTION**

#### ***Overview***

Ninety-five percent of the Togolese rely mostly on informal arrangements and strategies for risk management. This is done through both endogenous arrangements, which are organized by the prospective beneficiaries and exogenous arrangements, which are organized by agents generally not belonging to the community. In the formal sector, the presence of market-based

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<sup>7</sup> Terre des Hommes, APER, AD-Togo and the Ministry of Social Affairs, *Les enfants en circonstances difficiles au Togo – Etude du cas des enfants des rues de Lomé*, mimeograph, Lomé, October 1998. See also Hauville, O., *Enquête sur les jeunes de la rue à Lomé*, JAD Project, OXFAM, Lomé, July 1989.

mechanisms and actors is limited to relatively few financial institutions (particularly those active in micro-finance) and private insurance companies. Some arrangements may be formal and informal. This is the case of NGO programs, as both grassroots organizations (*ONG de base*) and large international organizations (e.g., CARE Intl.) are considered NGOs. The same applies to micro-finance services, which can be offered by both formal and informal institutions. The public sector provides social protection primarily in the form of: (a) information/education and regulation, (b) social security for a privileged few, (c) social assistance for an estimated 10 percent of those in principle eligible to receive it, and (d) basic social services.

As the political and economic crisis of Togo continues, the government finds it increasingly difficult to provide basic services to its citizens. The modern private sector is filling some of the gap (through private schools, private clinics, private insurance schemes), but most of it is filled by communities themselves who increasingly take over where the government leaves. Informal, grassroots efforts to manage risk are shaped by two factors: social capital, which is a crucial element of informal arrangements, and gender considerations, with women being the main providers of social protection. Both factors are discussed below.

There are, however, two main threats to traditional social protection. The first is modernization. As Western values make their way into the country, young people are tempted to embrace an individualistic and materialistic philosophy of life which is the opposite of the principles from which traditional solidarity derives its strength. The emerging phenomenon of old people abandoned by their children is perhaps the saddest manifestation of this trend. The second threat is represented by persistent governance problems, which find their expression in corruption, clientelism and partisan politics. Therefore, the original climate of general trust is gradually eroding, endangering social capital and the survival of informal insurance arrangements.



The matrix below attempts a classification of arrangements for risk management presently in use in Togo. Each type of arrangement is discussed later.

### Arrangements for risk management in Togo

Arrangements	Informal/endogenous	Informal/exogenous	Formal/private	Formal/public
<b>Prevention</b>	<ul style="list-style-type: none"> <li>• Strengthen human capital (community-paid teachers/schools)</li> <li>• Strengthen/protect revenues (anti-erosion measures, migration)</li> <li>• Occult/traditional rites</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen human capital (apprenticeship)</li> <li>• Traditional ceremonies</li> </ul>		<ul style="list-style-type: none"> <li>• Strengthen/protect human capital (education, health, VET, agricultural extension, regional social funds)</li> <li>• Regulate against accidents and inequality (traffic code, construction code, environment regulations, labor market policies)</li> <li>• Provide services and infrastructure. (vaccination, dams)</li> </ul>
<b>Mitigation</b>				
<b>Portfolio Management</b>	<ul style="list-style-type: none"> <li>• Diversify(crops, jobs)</li> <li>• Invest (human, physical, real assets)</li> </ul>		<ul style="list-style-type: none"> <li>• Invest in multiple financial assets</li> </ul>	
<b>Insurance</b>	<ul style="list-style-type: none"> <li>• Reciprocate (<i>mutuelles</i>, <i>tontines</i>, profess. associations)</li> <li>• Strengthen social capital (marriage, folk groups, ceremonies, traditional practices)</li> </ul>	<ul style="list-style-type: none"> <li>• Pool risks (cereal banks, village banks)</li> <li>• Itinerant bankers</li> </ul>	<ul style="list-style-type: none"> <li>• Buy private insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Provide social security (CNSS and CRT)</li> </ul>
<b>Hedging</b>	Extended family			
<b>Coping</b>				
	<ul style="list-style-type: none"> <li>• Diminish human capital (reduce meals, take children out of school)</li> <li>• Diminish economic capital (borrow, sell)</li> <li>• Diminish social capital (child labor, borrow, plead)</li> </ul>	<ul style="list-style-type: none"> <li>• Diminish social capital (child trade)</li> <li>• Diminish economic capital (borrow from usurers)</li> <li>• Charity</li> </ul>	<ul style="list-style-type: none"> <li>• Diminish economic capital (borrow from banks and MFI)</li> <li>• NGO programs</li> </ul>	<ul style="list-style-type: none"> <li>• Protect economic capital (AGETUR, regional social funds, emergency aid)</li> <li>• Protect human capital (food aid, emergency aid)</li> </ul>

### *The Role of Social Capital*

Social capital can be defined as the quantity and quality of social resources (networks, membership in groups, social relationships, access to wider institutions in society) upon which people draw in pursuit of livelihoods. The level of trust and shared norms that exist among the network/group members determines the quality of these social resources. Indeed, field work suggests that the Togolese themselves define social capital in terms of trust, solidarity and mutual help. People use social capital to access services, protect themselves from deprivation, reduce risk and acquire information to lower transaction costs.

#### **Box 3: Social Capital in North Togo**

"The group is essentially the guarantee of survival for the individual in case of problems. Survival is only accorded to those who deserve it by behaving according to the rules. Lack of respect for the rules results in the marginalization of the families concerned, who can no longer benefit from the services usually provided by the community. The faults considered most severe may result in the use of drugs or poisons... Social status is essential. It depends on the family chief. And it has a worrisome aspect. Respect is acquired by showing the capacity to make the best of one's environment, be it one's land or other activities carried out during the migration periods. This capacity is measured by the expenses the family can afford when it is time for ceremonies (funerals, marriages, *fétiche* celebrations) open to the whole community. It is to maintain its social status that a family often goes into debt, together with their close relatives and friends who also feel obliged to participate into the expenses. People will not hesitate to empty their granaries at the beginning of the dry season to ensure their status, at the cost of having to suffer from severe food insecurity until the next harvest. In any case, once the social status is assured, the group will solve the problems that will face the family."

Source: Pouzet, Denis. *Contraintes à la Gestion de la Fertilité des Sols: Cas du Village de Naki-Est au Nord Togo*, IFDC-A, Lomé, 1994, p. 49.

Social capital plays a crucial role for social protection in two ways: (a) it improves returns on other assets, e.g., by lowering the cost of economic transactions, giving access to group-guaranteed micro-credit or making it possible to pool resources for better social services; (b) it has social protection value in and of itself, because membership in a network constitutes an important asset for risk management (see Box 3). Networks can help manage risk in two ways: (a) members will help each other prevent the occurrence of a problem by sharing resources, thus reducing the social safety-net costs to communities, and (b) members that are experiencing problems will be supported (for example, when facing large unpredictable medical and funeral expenditures). These findings about the roles of social capital for social protection in Togo are

fairly robust. Recent research carried out in South Africa, for example, came to very similar conclusions.<sup>8</sup>

Three main categories of networks have been identified:

- **Bounded networks** consist of people connected by kinship ties, and are the most common in Togo. People rely on these to manage risk through reciprocal lending, provisioning certain collective goods, and sharing information. Resources are usually shared following principles of general reciprocity. When risks become pervasive, as in the recent economic and political crises, the Togolese have tended to rely primarily on their family and clan (as a civil servant put it, it is the “tribalization” of life). Exclusion from these networks is considered the sign of utter destitution.
- **Choice-based horizontal networks** are growing in importance as people are becoming more mobile and move away from their relatives and neighbors. In this sense, the spread of horizontal networks is the sign of a growing and modernizing society. In Togo, however, they are also spreading in response to the government’s inability to provide basic services, as communities organize to start schools on their own. These networks include savings and credit associations, professional associations, trade unions, church groups, parents’ associations, etc. These networks tend to be more decentralized than bounded networks, and more flexible in terms of membership, but their reciprocity rules tend to be stricter, which makes them less accessible to the very poor.
- **Patron-client networks** are characterized by asymmetries in wealth and power among the members: those with the greatest power and/or resources are expected to provide economic or physical security to the others in exchange for loyalty, labor, rent etc. These vertical networks are quite common, because civil servants, employers and traditional authorities are expected to take care of their “dependents”. As conditions in the country deteriorate, these networks are becoming increasingly politicized, and also increasingly under strain because of the demands put on them by those in subordinate positions.

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<sup>8</sup> See: Moser, C., *Violence and poverty in South Africa: Their impact of household relations and social capital*, mimeograph prepared for the World Bank’s South Africa Poverty Assessment, Washington, May 1998.

Information available suggests that the fewer the assets of an individual or household, the more important social capital becomes for risk management and survival, acting as a substitute for physical or financial capital. For instance, social capital replaces collateral when lending to groups rather than to individuals, with the borrowers' social relationships — performing a task ordinarily left to material or monetary assets. Social capital is important for all, but it is crucial for the very poor.<sup>9</sup> In many communities, for example, the elderly and sick survive thanks to the solidarity of others; when social capital is eroded, as is happening with rapid urbanization, the phenomenon of abandoned old people appears. In the same vein, some vulnerable groups have been found to be very well organized to protect their livelihood and manage risk. This is the case of street children, girls market porters and prostitutes, who have set up systems to help newcomers and regularly pool resources to smooth consumption for the whole group.

The impact of social capital, however, is not necessarily positive. A particular form of social capital may work at the detriment of those left out. Such is the case of nepotism, where the individual may draw a benefit but the overall social impact is negative, or of street gangs, where children may organize to steal. Social capital can also have perverse effects. For example, girls of ethnic groups where female genital mutilation is prevalent may request to be circumcised despite the personal health risk and suffering involved, because of the importance of accessing the social capital “guaranteed” by the circumcision rite in the form of integration and acceptance in the community (including access to a prospective husband). Finally, if social capital favors integration, lack of it leads to social exclusion. The extremely poor, generally unable to afford participation in reciprocity networks, find themselves in a desperate vicious circle: because of their lack of other assets, they are also excluded from social capital, thus becoming/remaining destitute and chronically marginalised.

### ***Gender Issues in Social Protection***

The main actors in social protection are women. They are most vulnerable, because their subordinate role in society is sanctioned by a complex web of traditional beliefs, cultural

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<sup>9</sup> This finding is consistent with research in South Africa which identifies informal resource pooling and reciprocity arrangements playing a key role for survival in very low income black townships, especially for women. See: Moser, C., *op. cit.*

norms, and customary and modern law. Compared to men, women have more difficult access to human capital assets (education, health), productive assets (land, credit) and social capital assets (law, decision-making, public life). For example, Art. 391 of the Family Code stipulates that a woman can inherit her husband's goods only if he had officially renounced customary law. This subordinate role makes women more exposed to risk and at the same time less equipped to manage it.

But women are also the main providers of social protection. On the one hand, tradition assigns them a nurturing role whereby they have to take care of the young, the sick and the elderly, including often health and education expenses. They also have the responsibility for feeding the family, that is, they have the ultimate responsibility for coping. On the other hand, women are better than men at developing social capital (perhaps to compensate for their difficulty in accessing other forms of capital?), and are therefore better at setting up and maintaining informal arrangements for risk management. This is particularly true for mutual support networks. For example, in a recent survey of 110 informal associations in Togo, women made up 72 percent of the members. Findings from other African countries confirm this pattern. Field work carried out for the World Bank Poverty Assessments in Zambia, South Africa, Cameroon, Mali and Benin suggests that women are more likely than men to organize into informal mutual support networks. Unfortunately, gender discrimination hampers social capital development by eroding trust, straining family relations, and limiting women's movement and activities.

### ***Risk Prevention***

Risk prevention refers to measures taken to reduce the likelihood of a crisis occurring. In Togo, they fall into two main categories: (a) measures taken by individual households on their own initiative, such as planting drought-resistant crops or protecting the fertility of their land to reduce the likelihood of a failed crop, and (b) measures provided or mandated by the government.

The Togolese rarely organize themselves for prevention. This may be because negative phenomena have a “divine” or occult origin and therefore the appropriate prevention is magic-religious (propitiatory rites, respect to ancestors to avoid making them angry, etc.) which is mostly practiced on an individual/family basis.<sup>10</sup> Another view is that risk prevention is a luxury, and it will be acknowledged only when basic needs have been met. Risk prevention begins when the individual or group is close to the outer edge of the vulnerability spectrum, that is, when immediate survival stops being the priority and the individual can afford to think in the longer term. However, prevention may be emerging as a collective effort in “modern” settings, as exemplified by the creation of neighborhood watches to prevent crime.

The bulk of prevention remains the domain of the public sector. It takes basically three forms:

- information and education campaigns on specific topics (e.g., AIDS prevention);
- laws and regulations, especially those related to the rights of the individual and families (including property rights and succession), labor standards, the traffic code, the construction code, environmental standards, etc.;
- provision of social services/infrastructure, including vaccination campaigns, agricultural extension, VET, general education, construction of irrigation systems (to avoid the risk of failed crops) or river banks (to avoid the risk of floods), etc.

The most important characteristic of publicly provided risk prevention is that it encompasses a variety of sectors, suggesting that social protection cannot be the exclusive business of a specific government body: executive and legislative powers are concerned, as well as a number of ministries. Unfortunately, many regulatory aspects of risk prevention are inspired by Western standards, and therefore are not well adapted to the local context: they may be culturally or socially inappropriate, or more simply unenforceable because of lack of resources (transport and environmental regulations are a prime example). Education and information are probably the most cost effective form of risk management, but receive inadequate attention and even less funding.

With the breakdown of government-provided services (which already had been unable to cover needs), communities over the last ten years have increasingly resorted to providing

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<sup>10</sup> Medical anthropology literature provides ample evidence for this, as do many ethnographic studies.

primary education with their own means. While statistics are incomplete and cannot capture the rapid expansion of this movement, several thousand primary schools established by communities have already been recognized by the government, and it is estimated that there are several thousand more. This is a strong illustration of communities taking the initiative in one area of risk prevention where they see the benefits. While there are problems with the quality of education in these schools, they provide an important element for a future strategy of risk prevention that relies on a wider range of actors.

### ***Risk Mitigation***

Risk mitigation refers to measures taken ex-ante to be better prepared to respond after the crisis hits. It is where the Togolese tend to focus their risk management efforts, which are primarily of two types: portfolio management and insurance. Most of their risk mitigation arrangements are in the informal sector. Basically, everybody engages in portfolio management to minimize risk. Most farmers have off-farm economic activities and even civil servants have income generating activities on the side: should crops fail or salaries be paid late, there will be something to fall on. Investments in human, physical and real assets are another way to improve portfolio management for risk mitigation.

**Informal insurance** is very popular, as witnessed by the multitude of existing arrangements. Families represent the primary insurance mechanism, whether through a “good” marriage or well-structured kinship-based reciprocity networks. Other mechanisms based on reciprocity include: rotating savings & credit associations (*tontines*), socio-professional associations (e.g., market sellers of a certain type of fish) and associations based on residence or origin (*associations des ressortissants, associations de quartier*). The main risks for which people organize are those that would affect short-term productivity or require sudden large expenses. For example, a 1998 survey of 110 grassroots associations found that about two thirds had as one of their main objectives assistance in case of illness, either in the form of financial aid (e.g., *mutuelles de santé*) or in the form of help to keep up productivity (*tontines de travail*

and *tontines des champs*)<sup>11</sup>. Assistance in case of funerals is also considered very important and is provided by savings & credit associations and by burial societies. On the other hand, there appear to be no informal mechanisms to mitigate chronic risks such as old age and disability, besides reliance on the family.

There is a strong correlation between social capital development and the existence/effectiveness of informal insurance. The main reason is that informal insurance is based on mutual trust and reciprocity, both of which are manifestations of social capital. Some arrangements may not be sought consciously as a risk mitigating measure, but have insurance value because they reinforce one's position in the community and therefore will make it possible to draw on help from others in times of need. This is the case for traditional ceremonies, especially the ones with a high value for social cohesion, such as funerals. Unfortunately, the clash between a "modern" way of living and village life tends to upset these traditional mechanisms. For example, the monetization of economy has contributed to increase the cost of funerals, which are increasingly becoming occasions for conspicuous consumption.

**Formal risk mitigation arrangements** comprise pension schemes for government and private sector employees, and a few private insurance companies. The coverage of these institutions extends to only 5% of the population, reflecting the size of the public sector and the modern private sector. Average pensions are CFAF 16,000/month at the *Caisse Nationale de Sécurité Sociale* (CNSS) and CFAF 60,000/month at the *Caisse de Retraités du Togo* (CRT). The CNSS is the pension system for private sector employees (but some categories are excluded, such as self-employed professionals) and those public sector employees who are not civil servants. At the end of 1996, it had about 60,000 contributors. Among them, 25,400 people (of which 14,000 retirees) were drawing pension benefits and 66,400 were receiving family allowances. There is a serious mismatch between the level of contributions and

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<sup>11</sup> Labor sharing clubs are not only a form of insurance in case of illness. They play an important redistributive role, in that they enable poorer families to share not only labor and possibly agricultural tools, but also food (often "superior" food, such as fish sauce) with richer farmers. The fact that exclusion from the *tontine des champs* may be used as a punishment for having broken clan rules, shows the value attached to such arrangements by farmers.



number of contributors on the one hand, and the level of benefits and recipients on the other. The CNSS is thinking about options to bridge this gap, including a move to a capitalization system for its supplementary pension scheme (*branche retraite supplémentaire*), but more work is needed to ensure that their current thinking about investment strategies and broadening their contributor base will result in a viable approach.

The CRT is the pension scheme for civil servants and the military. It has about 35,000 contributors and 15,600 beneficiaries. While its management currently is improving the information basis on contributors and beneficiaries, the picture that is emerging is similar to that of the CNSS; CRT is barely covering its current pension payments through contributions, and will show deficits very soon, if the current pay-as-you-go system continues unchecked. Here too, management is aware of the issues and the need to adjust contributions and/or benefits. Both institutions require a much more detailed analysis than a short assessment could provide (for example, there have been allegations that they discriminate against women), and additional work is recommended below in the strategy section.

Private insurance companies have started to operate in Togo and appear to be mushrooming. On the one hand, they are increasingly targeting clients in the informal sector, as illustrated by the opening of a private insurance branch at the central market in Lomé. On the other, they attract growing numbers of public sector employees, worried about the low coverage offered by the formal social security system and about the future of the two agencies that administer it.

### ***Risk Coping***

Coping refers to measures taken after the crisis hits to try to contain damage. It is the form of risk management most used by the very poor, because other mechanisms are out of reach. Prevention and mitigation tend to require forward thinking, savings and investments, a luxury when the problem is how to find food for dinner. Coping strategies comprise: dissaving, selling assets and labor (including child labor), reducing consumption and expenditures (e.g., by reducing meals or “placing” children outside the household), borrowing and begging. Unfortunately, many of these mechanisms have perverse effects, and push people into

vulnerability traps. For example, reducing caloric intake increases the risk of illness and may cause mental retardation in children. In addition, household and community-based strategies tend to be insufficient for coping with covariant shocks, such as floods or epidemics, because reciprocity arrangements stop working: nobody can spare something to help others.

To make things worse, as living conditions become more difficult, what used to be coping mechanisms in times of crisis have become part of the regular livelihood system,; so when crises hit, there is no fall back position. For many inhabitants of the Savanes, for example, one meal a day has become the rule for three-four months a year during the pre-harvest season, so in years of bad harvests there is outright starvation. Throughout Togo, the ability to manage risk is eroding, and extreme forms of coping (such as selling children and abandoning old people) seem to be intensifying. There is help from the outside, provided by NGOs and religious groups, and also by government and donors. But compared to the need, it is too little and often too late.

Coping mechanisms in the formal sector include traditional forms of social assistance provided by the Ministry of Social Affairs, National Solidarity and the Promotion of Women, the labor-intensive public works project AGETUR (which provides short-term employment for unskilled workers), and the regional social funds (which cover all three stages of risks management, as they can finance risk-reducing infrastructure and services, support microfinance and provide short-term employment for unskilled labor). Publicly provided social assistance is primarily the responsibility of the Ministry of Social Affairs, National Solidarity and the Promotion of Women, through the General Direction of Social Development and the National Solidarity Agency. Their resources are minimal: during the 1994-99 period, the budget for social protection hovered around 0.4% of the national general budget.<sup>12</sup>

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<sup>12</sup> Estimates of public expenditures for social assistance are not straightforward, as they are scattered under various Directions of the Ministry of Social Affairs as well as the so-called "common expenditures" of the Ministry of Finance. Matters are further complicated by the frequent institutional changes affecting the Ministry in charge of social affairs.

The Committee for Emergency Assistance is an *ad hoc* coordination mechanism among key sector ministries under the leadership of the Ministry of Interior in charge of channeling funds provided by the Ministry of Finance in case of catastrophes. A *Plan d'Organisation des Secours en cas de Catastrophes au Togo*, drafted in 1997, aims at creating a decentralized mechanism for quick disaster relief management, but its implementation has not yet been approved. In 1996, a Social Protection Committee was created, but thus far its impact has been limited.<sup>13</sup> There are two main obstacles to the improvement of formal social assistance: (a) lack of information to guide thinking on social protection in general, both in terms of concepts and approaches, and in terms of data on the Togolese situation, and (b) scarcity of human and financial resources.

#### **IV. A STRATEGY FOR SOCIAL PROTECTION**

As suggested by the above, the government needs to rethink its overall approach to social protection. It needs to think more broadly, both in terms of actors and actions, more strategically and more creatively. The process is already underway: a dialogue with civil society and donors has started, and the government has signaled its interest in preparing a more broadly-based social protection strategy. It is important to maintain this momentum, and to build on it. Below we propose three criteria to guide the work of decision-makers in defining a new strategy for social protection, followed by the main elements of such a strategy. A possible role for the World Bank would focus on five priority issues, through a range of instruments including policy dialogue, ongoing project work, technical assistance and new operations in the form of grant-assisted *Institutional Development Fund* (IDF), or lending in the form of *Learning and Innovative Lending* (LIL).

##### ***Criteria to prioritize***

Given the disproportion between needs and resources, choices have to be made as to where to concentrate social protection interventions. Three criteria are proposed to guide the process of prioritization.

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<sup>13</sup> The Social Development Committee created in 1995 for the Copenhagen summit of social development is also concerned with social protection. Since the summit it has been dormant.

① **The greatest need** ⇒ Risk analysis is the starting point to determine which risks are most frequent and which have the most damaging impact. A complementary step is to identify the most vulnerable groups and to collect information on them (their number, their characteristics, their needs and preferences). Both risks and vulnerable groups should be taken into consideration when determining where the greatest needs lie.

② **The biggest impact** ⇒ An inventory of social protection mechanisms and an assessment of their effectiveness are required to determine which interventions are likely to have the biggest impact and to be most cost effective. This should be done keeping in mind that investments take many forms and that a combination of discreet investments could have a synergistic effect resulting in benefits that exceed the sum of the benefits of each separate intervention.

③ **The most effective actors** ⇒ Different types of actors have comparative advantage for specific interventions. Support to informal insurance arrangements is probably best provided by NGOs or micro-finance institutions, while large scale disaster relief tends to be the domain of international relief agencies, and regulatory measures are the prerogative of the government. It is important to distinguish between having a mandate and actually being able to deliver services of consistently good quality. Collaboration and partnerships may help close the gap between mandate and service delivery.

The three criteria above can help to prioritize interventions, and their application presupposes the availability of key information (see Box 4). But the ultimate choice will rest on policy decisions. Should resources be used to help a small group of desperately needy people or should they be spread thin to help as many as possible? Should certain risks or groups be given priority to redress past imbalances or to avoid greater shocks in the future (e.g., spread of AIDS)? Should the focus be on prevention in light of its cost effectiveness or on disaster relief to alleviate suffering? Should interventions strengthen successful initiatives or target those who have not been able to organize themselves? This type of questions has to be debated openly; the ensuing policy decisions have to be made transparently and known by all stakeholders.

#### Box 4: Information Needs for Social Protection

Below is a list of the information needed ideally to elaborate a social protection strategy. The list is not intended to represent a *sine qua non* for the elaboration of a strategy, but rather a guide for efforts in data gathering. All research should incorporate a rigorous gender analysis, and combine qualitative and quantitative information.

- **On risks:** frequency, predictability, number of people exposed (possibly by gender, socio-economic status, ethnic group and location), importance of negative effects (quantified in terms of income lost, costs to return to the pre-crisis condition, or other meaningful measurement, by gender). Ideally, a composite risk index could be developed to obtain a risk map.
- **On vulnerable groups:** size, location, life-style (beliefs, values, habits, etc.), main risks/problems, risk management strategies, needs (real and perceived, present and foreseeable), preferences. This information will be primarily qualitative and it is crucial for targeting.
- **On interventions:** type (prevention, mitigation, coping), specific risks addressed, population reached (size, location and characteristics), cost (possibly unit cost) and cost effectiveness, results on the ground (short-term and long-term), shortcomings.
- **On actors:** institutional profile (public/private, formal/informal, size, budget, competence of personnel, etc.), main activities, geographic areas of operation, years of relevant experience, reputation, potential for growth/expansion, openness to collaboration with others.

#### *Elements for Government Strategy*

On the basis of the information available, it is possible to propose some interventions which could constitute the main elements of a government strategy for social protection. A common denominator of the interventions proposed is that they should involve all stakeholders (government, the formal private sector, the informal sector, NGOs and civil society) and foster coordination and collaboration among them, both within the framework of specific interventions and between types of interventions (e.g., between risk prevention and mitigation). As implementation gets under way, it can be accompanied by data gathering and analysis as the need arises.

**Risk prevention.** To a large extent, the risk prevention part of a social protection strategy for Togo would be identical with its overall development strategy. Resumption of economic growth and sound macroeconomic management, especially in the fiscal area, are the most important elements. The development strategy also includes provision of basic social services which, together with safe water supply, would cover a large part of risk prevention measures for the population in general and the poor in particular. Structural change in economic policy to strengthen performance of the agricultural sector and to liberalize the industrial sector and

increase its efficiency would be important strategies to promote labor-intensive economic growth and reduce the income risks of the poorer segments of society.

Because risk prevention encompasses a variety of sectors which are generally not perceived as being concerned with social protection (e.g., education, health, transport, public works, agriculture), there is a need for inter-sectoral dialogue, which should be initiated by the Ministry of Social Affairs, National Solidarity and the Promotion of Women with possible support from the Ministry of Plan and the donor community. Priority actions proposed for risk prevention are of three types.

- **IEC: Conducting information and education campaigns focused on key preventive measures, especially for health and environment.** ⇒ It is cheaper to prevent a disease than to treat it, and it is much easier to prevent environmental degradation than to try to reverse it. However, little is done to provide hygiene, nutrition or environmental education. This is in part due to lack of resources, and in part to lack of coordination among sectoral ministries (e.g., an IEC on hygiene would require the collaboration of the Ministry of Health, the Ministry of Education, the Ministry of Public Works, and the Ministry of Training and Communication). But it is above all a question of policy decisions and political will.

- **Laws and Regulations: Revising family laws and land tenure laws.** ⇒ Revising laws and regulations can be very cost effective, as the potential for far reaching impacts is great. Obviously, revising the laws on the books would not be enough if then they are not applied, but the mere existence of a law provides at least a protection of last resort. While there is a need to revise many laws and regulations with a risk prevention value to make them more appropriate to the Togolese context, two areas should be given urgent attention: family laws and land tenure laws. In both cases, customary and modern laws contradict each other, overlap, and create the basis for discrimination against the weaker groups (i.e., women, children/youth, and people not belonging to land-owning clans). In both cases there have been attempts to clarify and improve the situation, but it seems difficult to gather the necessary political support, particularly at the grassroots level, because of the controversial nature of the issues at stake. A number of NGOs are carrying out excellent work in these areas

in coordination with government units, but efforts appear to be limited to the capital area. It is time to expand the focus, and for the donor community to provide additional support to NGOs and government (the recently approved World Bank Institutional Development Fund to help legal reform for gender equity is an example in this sense).

• **Services/infrastructure: Improving the collaboration between government and communities for better access to basic social services.** ⇒ Strengthening the delivery of basic social services is a priority for poverty reduction that can hardly be overemphasized (see Poverty Assessment, 1996). Its role in risk prevention highlights the importance of taking a flexible approach that builds on the opportunities represented by grassroots initiatives. The education sector is perhaps the best illustration of the dynamism demonstrated by the informal sector in filling the gap left by the public sector, as parents have taken it upon themselves to community schools and finance teachers. Over the last few years, the Ministry of Education has recognized large numbers of these schools and, with donor assistance, started to fund their teachers, but the approach is one of expanding the civil service concept rather than adopting a new approach to collaboration with communities that would maintain an active involvement of the communities in funding and managing their schools.

**Risk Mitigation.** This is the area where informal arrangements appear to be the most numerous and the most effective, hence the role of the public sector should be limited to: (a) supporting existing informal efforts, (b) discouraging ineffective or harmful arrangements, (c) stepping in for those with no access to informal arrangements, and (d) reform the existing formal sector arrangements, CNSS and CRT, to restore their longer-term viability. More detailed priority actions are suggested below.

• **Informal efforts: Supporting risk pooling and creative initiatives for covariant shocks and chronic risks.** ⇒ The main shortcoming of informal arrangements is that they tend to be ineffective with covariant shocks and chronic risks. Both problems can be partly overcome by pooling risks on a larger scale, for example by creating networks of informal insurance groups or by expanding membership in a given group beyond the boundaries of the community. Key elements to do this are information and organization. Hence the need to facilitate access to means of communication, seed money for increased administrative

expenditures and outreach, and the training necessary to ensure efficient use of resources and sustainability. Another way to support informal efforts is to disseminate information on effective arrangements, so as to inspire others. Closer collaboration among NGOs (more likely to be knowledgeable about grassroots initiatives than government services) and between NGOs and government is important in this sense, and regional NGO networks (not yet a reality in all regions) as well as enlarged Regional Planning Committees would be instrumental. Rural radios can also play a crucial role.

- **Ineffective or harmful arrangements: Discouraging widowhood rituals, harmful traditional practices and conspicuous consumption.** ⇒ Honoring tradition promotes social cohesion thus favoring social capital development and informal risk management. But not all traditions are worth honoring. Widowhood rituals are a prime example, even if many of them were originally intended to provide protection to the widow. A number of traditional practices have harmful health effects on children and should be actively discouraged; they include: female genital mutilation<sup>14</sup>, deep intestinal cleansing for purification purposes, scarifications, and food taboos. In addition, the cost of many traditional ceremonies is no longer proportionate to the benefits they provide as informal insurance. The efforts of NGOs and religious entities trying to contain excesses should be openly supported by highly visible personalities, especially those with traditional authority, and a sustained media campaign. Benin can provide an example: the catholic church strongly encouraged the simplification of funeral rituals, with good results.

- **Gaps: Filling the gaps of informal arrangements** ⇒ Informal group arrangements are very widespread, but not everybody has access to them. Some are excluded because they could not possibly reciprocate (the very poor), some because they are isolated (child domestic servants), others because they are incapable of organizing (the mentally ill). Government, NGOs and donors should collaborate to identify, and possibly provide, alternative risk mitigation measures for these most vulnerable people.

- **Formal sector: Reforming social security** ⇒ Both CNSS and CRT are aware of the need to reform if they want to restore viability. More detailed work is needed to help them prepare



reform proposals. While there are some regional institutions, such as CIPRES, which are working with CNSS, both institutions would benefit from access to the Bank's experience with pension reforms and from technical assistance in preparing their reform program.

**Risk coping.** Actions proposed to improve coping arrangements emanate from two considerations: (a) informal coping mechanisms are the last resort, so they are more likely than other types of risk management to have unintended, or simply unavoidable, perverse effects; (b) no matter how effective prevention and mitigation can be, there will always be a need for publicly provided large scale disaster relief.

- **Child protection: Discouraging the exploitation of child labor and trafficking** ⇒ Child labor has become more prevalent over the last few years, as documented above, and efforts by government and NGOs to address various aspects of the problem remain insufficient. Given the size of the problem, and the fact that children are one of the most vulnerable groups, we recommend that a future social protection strategy for Togo put particular emphasis on this issue. Measures could range from strengthening information campaigns to enforcing existing legislation. Parents may not be aware of the fate of children who are sent to work away from home, and a sensitizing campaign may make them prefer another option (the Ministry in charge of social affairs has started the campaign, but resources are scarce). In the same vein, employers of child domestic servants often do not realize that these children have the same needs as their own children, and a sensitizing campaign may greatly improve the living conditions of young servants (pilot activities in this sense have yielded encouraging results in Benin). Assistance to eradicate harmful child labor and child trafficking has to go beyond sensitization campaigns, to include a comprehensive set of measures covering supply (i.e., the children's families of origin), demand (i.e., the children's employers), intermediaries (e.g., punishment of child traders) and the children themselves (e.g., provision of appropriate educational and health services). It is proposed that a concerted effort be undertaken by government, donors and NGOs to address the problem of child labor/traffic.

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<sup>14</sup> A law was passed in October 98 to forbid female genital mutilation, but its application decree is still pending.

- **Disaster relief: Organizing a more efficient mechanism**  $\Rightarrow$  At present, the Togolese government does not have an appropriate mechanism to provide assistance for disaster relief. Given the impact of disasters, the Togolese have identified improvement in the existing arrangements as a priority. There is a need to revise: (a) the allocation of responsibilities among different government bodies, (b) budgetary procedures to allocate funding for disaster relief, (c) eligibility criteria and their actual application, and (d) delivery methods.

### ***A Role for the Bank***

The Bank could support several elements of the proposed social protection strategy for Togo. As with the recommendations for the country, we also recommend that the Bank adopt an approach in which concrete support for priority actions could then grow into a bigger program, and information gathered during a pilot phase can help improve the design of the interventions over time. Proposals for the Bank's support include:

- (a) Assist the government with rebasing its social protection strategy, i.e., move away from the traditional role of the Ministry in charge of social affairs to the risk management concept and to a broader partnership in design and implementation, with the private sector and NGOs participating. In practice, this would mean continuing the process already started by facilitating dialogue among different stakeholders, and in particular encouraging the government to forge new public/private sector partnerships in the traditional areas of social assistance covered by the Ministry in charge of social affairs, thus leveraging government resources and rationalizing their use.
- (b) Help Government and the NGOs develop a comprehensive program for addressing the exploitation of child labor, along the lines indicated above. This should be done in collaboration with UNICEF and ILO, both active on this question, with a strong involvement of NGOs. The instrument could be an IDF or a LIL, to be managed both by the Ministry in charge of social affairs and an NGO (or by the *National Child Protection Committee*, which includes key sector ministries, NGOs, UNICEF and civil society).

(c) Within the social sectors, help government through project work to rely more on community-based provision of basic services, with government financial and technical support. A starting point could be building on community efforts to provide primary education to establish a new partnership between Government and communities. Decentralization of decision-making and public expenditure management should accompany this effort.

(d) Provide technical assistance to ensure the viability of the formal social security system through a restructuring of the CNSS and CRT, integrating the results of the on-going internal discussions on structural problems and options for change.

(e) Pilot creative approaches to provide old-age security for the informal sector, possibly in technical partnership with the ILO. This would involve working closely with grassroots organizations to identify opportunities for formal/informal sector collaboration, since no single solution can be applied nation-wide, trying out a variety of very small operations will probably be the best approach.

(f) Take advantage of the imminent launching of two pilot regional social funds, using them as vehicles to provide better access to basic social services (risk prevention) and to finance creative initiatives for risk management, especially through their component on capacity building for grassroots communities and civil society (see below).

### ***A New Role for Social Funds***

The first social funds were intended as emergency measures to provide better access to basic social services through the construction of community-based infrastructure. As social funds move toward becoming permanent agencies rather than fast-disbursing mechanisms for crisis situations, their role is bound to evolve. More recent social funds are going beyond infrastructure by adding service components. These components tend to focus on capacity building, mainly through the provision of training, and microfinance, mainly through the provision of social intermediation and credit. Both capacity building and microfinance play a role in risk management, so moving further into social protection would be consistent with the

ongoing trend. Indeed, this movement has already started with social funds in Latin America and the Caribbean increasingly financing interventions to prevent violence (which has been identified as a major risk in certain countries) and to help vulnerable groups (e.g., street children).

The pilot regional social funds which are now getting under way in the Savanes and Maritime regions have been designed with components on capacity building and microfinance, but without an explicit focus on risk management. On the basis of experience in the Savanes and Maritime regions, it is envisaged that social funds will be set up in the remaining regions so as to follow the initial pilot with a full fledged project covering the whole country. Risk management could well be the unifying theme of this new intervention. This would imply a number of changes with respect to the present approach, which is typical of social funds around the world:

- placing a greater emphasis on “software”, as much social protection consists of that (information, education, organization, etc.);
- targeting specific vulnerable groups as beneficiaries, which may require a waiver of the fundamental requirement that interventions be on demand from beneficiaries (e.g., it is unlikely that child servants request assistance to the social fund);
- relying on a wide range of actors for service delivery, and especially on NGOs and selected government services;
- including a policy dimension to encompass both the need to improve the regulatory framework and that of fostering collaboration across sectors and among different stakeholders.

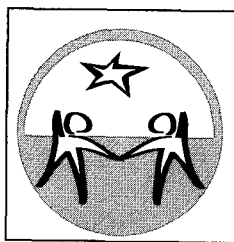
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### Summary Findings

The World Bank has defined social protection in terms of 'social risk management'. In part, this approach borrows from the language of finance, applying the same principles of diversification to the poor and the risks they face. Regional strategy papers are being drafted to map out the implications, as well as the limitations, of applying this concept to different socio-cultural contexts. Within the Africa Region, Togo was selected as a pilot country to test this approach, and represents the first effort of the Bank to develop a comprehensive social protection strategy.

The Social Protection Strategy for Togo is the result of in-country discussions carried out by the World Bank in association with a Social Protection Team composed of government and civil society representatives involved in the execution of initiatives related to social protection. The document proposes: (a) a definition of social protection meaningful to the Togolese, to be adopted by the World Bank in its work in Togo; (b) criteria to analyze and classify social protection mechanisms and a description of such mechanisms; (c) an assessment of the effectiveness of different social protection mechanisms, and a discussion of the relationship of social capital and gender; (d) suggestions for a comprehensive SP strategy to be considered by the Togolese government as well as for WB contribution.

### HUMAN DEVELOPMENT NETWORK

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